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Eradication of poverty and other development issues: implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

South Africa:* draft resolution

Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003 and 59/246 of 22 December 2004,

Recognizing that microcredit and microfinance programmes have succeeded in generating productive self-employment and proved to be an effective tool in assisting people in overcoming poverty and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

Bearing in mind the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

Recognizing that the majority of the world's poor still do not have access to financial services and that there is significant demand for microcredit worldwide,

Noting the convening of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people everywhere, building on the creation of the "Blue Book"[1] as a tool for policymakers seeking to build more inclusive financial sectors,

Noting also the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] *Building Inclusive Financial Sectors for Development* (United Nations publication, Sales No. E.06.II.A.3).

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Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

1. *Takes note* of the report of the Secretary-General on the observance of the International Year of Microcredit, 2005,[2] including the role of microcredit and microfinance in the eradication of poverty;

2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which offered a special opportunity to raise awareness and share best practices and lessons learned on microcredit and microfinance;

3. *Recognizes* that access to microcredit and microfinance can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[3] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

4. *Takes note* of the lack of relevant statistical data on microfinance and microcredit programmes, particularly at the national and regional levels, and in this regard invites the international community, particularly the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue;

5. *Calls upon* Member States and the United Nations system as well as other relevant stakeholders to fully maximize the role of microcredit and microfinance as tools for poverty eradication and to ensure that best practices in the microfinance sector are widely disseminated;

6. *Acknowledges* that the Global Microentrepreneurship Awards contributed to promoting entrepreneurial culture and underscores in this regard the need to explore ways to continue the initiatives;

7. *Calls upon* Member States, United Nations organizations, the Bretton Woods institutions and other relevant stakeholders to undertake necessary measures, in particular through supporting the developing countries in their efforts directed towards capacity-building of microcredit and other financial institutions, to achieve the Microcredit Summit Campaign goals in a timely manner;

8. *Invites* Member States to consider undertaking policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

9. *Requests* the Secretary-General to submit a report on the implementation of the present resolution to the General Assembly at its sixty-second session under an item entitled "Implementation of the Second United Nations Decade for the Eradication of Poverty (2007-2016)".

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[2] A/61/307.

[3] See resolution 55/2.